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December 14, 2006

The Hon. Michael O. Leavitt
Secretary of Health and Human Services
U.S. Department of Health and Human Services
Hubert Humphrey Building, Room 416 G
200 Independence Avenue, SW
Washington, DC 20201-0001

Dear Secretary Leavitt:

I commend you for your successful efforts to educate the public on the new Medicare prescription drug plan. I'm also confident that you have the unique ability to clarify Americans' misunderstanding regarding Medicare coverage for Long-Term Care (LTC) services.

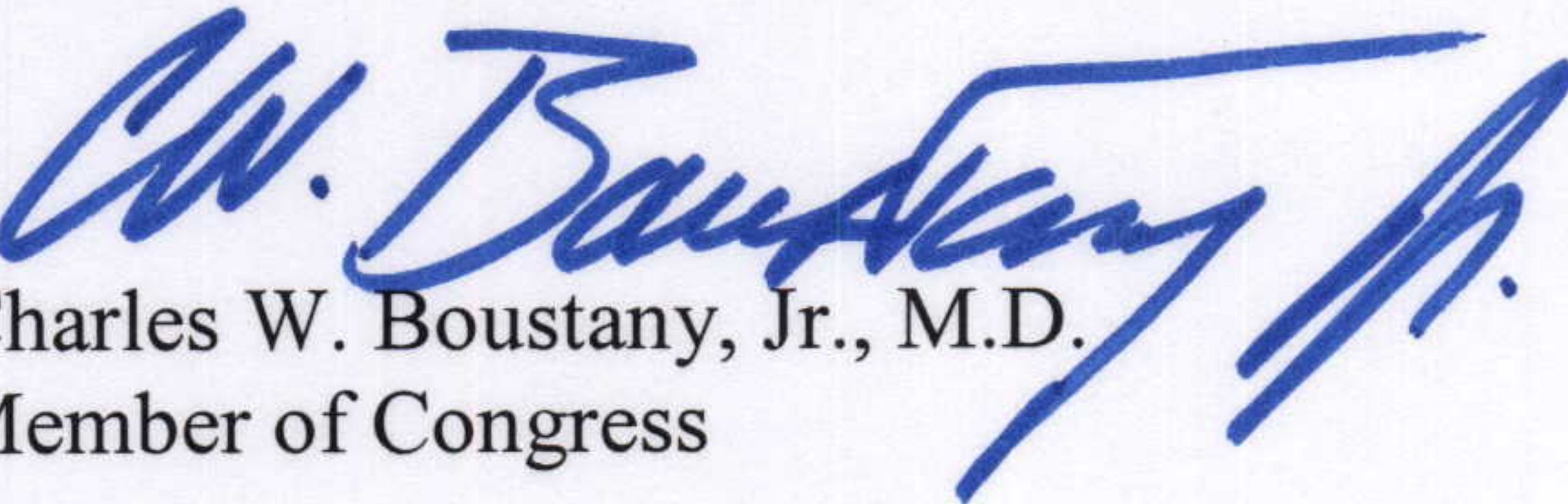
According to an AARP report released yesterday, six out of ten Americans overestimate Medicare's coverage for Long Term Care (LTC). The report is available at: http://www.aarp.org/research/longtermcare/insurance/ltc_costs_fs_2006.html. AARP released identical results in 2001, and a 2002 Government Accountability Office (GAO) report also warned that: "Currently, one of the factors contributing to the lack of preparation for long-term care among the elderly is a widespread misunderstanding about what services Medicare will cover."

As you know, the GAO projected that "spending on long-term care services just for the elderly is projected to increase at least two-and-a-half times and could nearly quadruple in constant dollars to \$379 billion by 2050." According to the Lewin Group, private LTC insurance paid for just three percent of LTC costs last year, and only ten percent of adults over the age of 50 now own a LTC policy. These researchers found that the percentage of seniors needing LTC services rises from 43 percent to 80 percent between the ages of 85 and 95.

This misunderstanding puts the retirement savings of millions of Americans at risk. State budgets will shoulder an unsustainable burden if Medicaid remains the default option for middle class baby boomers who discover they need LTC services. I encourage you to begin to personally talk about this specific misunderstanding with journalists and audiences across our nation. As HHS Secretary, your comments will be widely reported and give middle-class baby boomers clear information they need to prepare for retirement. This discussion will help middle-class Americans avoid impoverishment, while preserving the Medicaid safety net for our country's most vulnerable citizens. It will also build on your Department's accomplishments through the LTC Partnership Program, and the LTC Awareness Campaign pilot study. Our

nation owes you an increasing debt of gratitude for your efforts at this critical juncture. Thank you for your service to many generations of retirees and taxpayers.

Sincerely,


Charles W. Boustany, Jr., M.D.
Member of Congress